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5 March 1973

MEMORANDUM FOR: The Record

SUBJECT : Critique of the "Proposed Operating Plan for Calander Year 1973" dated 27 February 1973

Purpose

The purpose of this memorandum is to provide the DDCI/IC and other interested IC Staff personnel with a critique of the referenced proposal. My primary reason for preparing this paper is to assist those responsible for establishing the new IC operating plan in these areas.

Discussion

The proposed IC operating plan affords a beginning to the problems of establishing what amounts to new procedures and policies in support of the DCI's community program. The validity of certain points and the realism of specific proposals will be questioned in this critique. However, the primary critical discussion will relate to the lack of treatment in the proposal of the impact and consequences of specific proposed actions upon programs, and current review practices over which the DCI currently has no direct control. I suggest that it is of the utmost importance that such consequences receive explicit treatment so that alternatives and other options may receive consideration in instances where the DDCI/IC or the DCI, does not wish, for whatever reasons, to engage the problems which result from the proposed actions.

What follows is a detailed discussion of the proposal referenced to the items as sequenced in Section II and III of the proposal.

Section II (p.3 ff)

A. Planning Guidance (p.3)

The Planning Guidance and the NIPM are scheduled concurrently, with the Guidance appearing before the NIPM. The proposal suggests that it "should be thought of as an annex to the NIPM" which carries forward DCI evaluations and conclusions (i.e., those in the NIPM).

If the NIPM is the DCI's intelligence posture report to the President, one assumes it will tell the President where the program is going and why. A separate guidance to program managers seems gratuitous, especially when it results from the same process and analysis which produces the NIPM.

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The proposal states the Guidance may also "suggest" areas for study by the Departments and Agencies. This is a weak rod and one can question how it relates to the generation of "issues" for the new cycle. (See below)

B. Fiscal Guidance (p.3 and 4)

The problem of arriving at numbers for fiscal guidance assumes that the IC Staff will develop a fairly explicit criteria for resource distribution changes from year to year and program to program. Defense (ASD/I) has never bothered to publish the rationale for their own fiscal guidance. As a result neither the DCI (nor even Defense program managers) have ever been able to determine how the fiscal guidance was arrived at for the total, or for the individual programs.

C. Special Studies (pgs. 4,5, and 6)

The proposal notes at the outset that "the staffing out of issues provides the essential substantive basis for resource decisions."

If we assume the validity of this, the process of generating issues would appear to be of exceptional importance along with the implementation of the analytical program which is to deal with those issues. The question is one of identifying the mechanisms to make issues visible.

In the division of the issue analysis program into Ad Hoc Studies (described somewhat ambiguously) and Target Oriented Task Teams, it is obvious that the main analytical thrust is to lie in the latter area. The "intelligence problem areas" (one for each task team) are another name for broad issue areas.

One assumes that the prototype model for these task team studies would be the "Sorrel's Report" which would make them cross program/functional studies covering collection, processing, and production resources.

D. DCI Participation in Community Program Review and Resource Allocation Processes.

The proposal notes that "A comparison of the program review and budget cycles of the Defense Department intelligence activities, CIA and State Department reveals that each agency has its own system for program and budget development but the basic concepts are the same and the schedules are remarkably similar." (p. 7, underscoring not in original text)

The first part of the statement is all too true, but the portion underscored is not true and is the beginning of many of the problem areas in the proposal.

For example, the NRO programming procedures differ both in concept and scheduling when compared with the GDIP and CCP programming and budgeting procedures and scheduling, which is part of the so-called "normal" DOD programming and budgeting procedure.

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The fact that the budgeting process begins and ends at the same point has little to do with what goes on in between.

Both Mr. Flax and later Mr. McLucas have been most unhappy with the trend to "normalize" NRO programming procedures because they knew full well that theirs were more efficient and effective and dealt with the realities of scheduling their programs.

What would be of optimum use to the DCI and the community is the "EXCOMization" of the CIA, CCP, GDIP, and INR programs in a final combined cross program/functional review. And I suggest that this is what we should work towards as a matter of policy.

One wonders, for example, what the impact of Dr. Hall and the CDIP review requirements will be upon NRO, now that Dr. Hall is the Defense member of EXCOM. Even the people in Dr. Hall's resource allocation shop have long known that the CDIP review input requirements were contrary to the NRO procedures (i.e., for the July and November EXCOM meetings).

The proposal states that "there appear to be no insurmountable procedural and scheduling conflicts among the different review and decision processes of the several agencies." Insurmountable they may not be, but the conflicts are serious and of great importance to the DCI. They require far greater articulation.

E. Program Manager's Review (p.8)

The discussion in this section applies primarily to the CCP and GDIP. It has not applied to the EXCOM programs in any de facto manner despite appearances to the contrary.

The question is not one of the role of the DCI in the program manager's reviews. Explicitly, it is the role of IC Staff participation and perhaps of even greater importance, the availability of review documentation and results to the DCI Staff.

F. ASD/I CDIP Review

The proposal notes that decisions on the PDM's and reclaims form the basis for the preparation of budget estimates by the services/defense intelligence agencies which are submitted to ASD/C in October. This is great theory however, in practice, it just is not so. For starters, one has only to look at the correlation of the PDM and Budget statistics for these two exercises. More important, and again turning to NRO, the timing of program actions makes program statistics prepared this early in the cycle most unrealistic (i.e., the prior budget is still operating under a continuing resolution.)

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The proposal suggests that the DCI's role in the CDIP review should be that of an active participant, providing substantive input on intelligence needs, trade offs, and relative resource priorities. This sounds good, but each of these points need to be looked at hard. For example, how is the DCI staff going to provide "trade offs" within the context of a Defense review, even assuming that someday the CDIP will actually arrive at a workable cross program/functional review procedure?

G. Joint OMB-OSD Budget Hearings (p.8)

This section as written is only true for the CCP/GDIP program group which includes other programs such as drones.

The question of DCI staff participation in these hearings may not be the important one for DCI consideration. The real problem in my experience is that the actual decisions which result from these hearings (and the reclamas following the hearings) cannot be tracked back to the programs and the program elements (not even by ASD/I). The main reason for this is that the review is conducted in terms of the program elements and cost categories and the decisions are published in omnibus Defense budget categories.

I suggest that what is important to the DCI under these conditions is that he receive a copy of the program budget requests. Then, it appears important that he request the Secretary of Defense to have the ASD/C prepare for his use a copy of the Secretary of Defense's decisions related to these requests in the same data variables as in the original program budget requests.

H. National Intelligence Program Memorandum (NIPM)

The OMB concept paper referred to contains many problems, ambiguities, and scheduling contradictions. It has no authority as a directive and was never explicitly analyzed in terms of its validity with a proposed feedback.

Be that as it may, the very real problem of the NIPM is one of having the inputs come together on time, and having the basic budget data available from all of the programs. There is a tendency here to say, "well, those are details, and we will work them out later." This view can only lead to trouble. For example, the fact that the prior year budget appropriation act takes place at about the same time as the budget decision for the next year, is a reality that must be dealt with explicitly in any DCI PPB operating plan.

Section III (Data Needs, pp. 12 ff)

As a general statement of the data needs, the proposal does a good job in outlining the requirements. However, as in the earlier instance, it provides no information as to the impact upon current review structures and programming practices and current documentation, and the ability to obtain such data.

In addition, past experience in community data collection leads me to question seriously some of the assumptions which tend to suggest that the data acquisition problem is a mechanical one. For example, it is suggested that

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some of the data required will be obtained as a natural consequence of participating in the program and budget review and decision processes of the departments and agencies. This is true, but to a far lesser extent than one might suppose. More important, it is not a source that can be depended upon to fulfill specific requirements as outlined in the proposals "Characteristics of Data Requirements" (p.13).

The most important point to be made here is that current program and budget documentation does not currently provide the data needed as outlined in the proposal. Second, and perhaps of equal importance, the need itself requires far more explicit definition in specific terms of its usage in the operating plan. For example, organization, program, element, and function are each composed of hierarchies; the selection of the data need at any given level in any one of the hierarchies is a function of its relationship to other variables and its usage in the IC operating plan documentation and/or analysis.

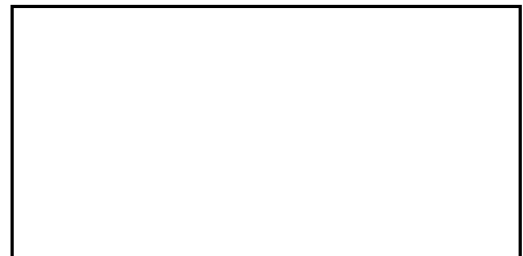
The last paragraph on page 15 illustrates what can only be considered as naive. Of course the DCI would like to use data systems established for use by the program managers themselves. And, it would be equally nice if they all defined each of the variables in the same manner in comparable formats relative to our need. CIRIS was devised to do this very thing, and we have come a long way; and we still have a long way to go. An information system which requires standard definitions and cross-walk capabilities cannot be built without some central authority to impose the definitions and standards. It may be politic to say otherwise, but let us not feed ourselves politic myths.

Summary and Conclusions

There is one overriding problem with the proposed operating plan which in one sense leads to most of its other problems. It fails at the outset to understand that the basic concepts and schedules of each of the programs involved are not "remarkably similar." (p.3 above)

Second, and related to the above, the proposal does not deal in the consequences of its specific proposed elements, in terms of what is different and what does not exist in the system today.

The result is that the proposal does not offer the DCI and the DDCI/IC a basis for alternatives and options. Perhaps of even more importance, it fails to alert them to the consequences of the actions proposed.



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